

# *The Four Parties to Industry*

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# *The Four Parties to Industry*

BY

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## *The Four Parties to Industry*

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I HAVE chosen as a subject "The Four Parties to Industry," in order to emphasize a truth which seems to be fundamental in any attempt to cope with the industrial unrest which has followed so closely, and, one might add, so inevitably, in the wake of war. If there is to be release from the thralldom of fear in which men's minds are everywhere held, it is the Truth that shall set us free, and the enforcement of that Social Justice which the Truth demands.

### **The Meaning of Industrial Unrest**

Especially in industrial relations have we accepted with complacence an order of things to which we have grown accustomed. The shock of war, stirring the world's soul to its very depths, has brought before our eyes the shattered image of an industrial civilization which is full of injustice. It has left us to decide whether the new order shall be little more than a return to the old, with all its worship of material wealth and material power, and its

relative indifference to human worth and human well-being; or whether it will be an order worthy of the sacrifices of the heroic dead, and the services of those who, on land and sea, have endured all manner of hardship and peril to preserve the liberties and freedom that we still enjoy.

Let us be assured of this: the unrest in the world of industry to-day is no ephemeral and transitory affair; no mere aftermath of the hideous convulsion which has shaken existing society to its very foundations. It is the voice of a grief-stricken humanity crying for justice in the relations of industry. Let us be equally assured that the sword is not the instrument, and repression not the method, to stay this unrest. The truth is mightier than the sword, and in conference and co-operation between all the parties in interest, not in coercion of the others by any one, lies the only hope of an ultimate solution.

What is  
Industry?

We shall reach no understanding of the problems of industry until we adequately appreciate what industry itself is, and who the parties are that are responsible for the carrying on of industry.

Industry is the means by which the material resources of the world are transformed, through



human intelligence and human energy, with the aid of natural powers, tools, and machines, into commodities and services available for human use. It is a vast process of transformation, itself a series of transforming processes so inter-related and numerous as to unite mankind, in this age of world-wide industrial expansion, in an enterprise that encompasses the globe.

#### **The Parties to Industry**

We are accustomed to discuss the problems of industry in terms of Capital and Labor. The inability to find a workable solution to many of these problems arises from a vision thus circumscribed, and an ignoring of other factors equal in significance and importance. To carry on industry in any but the most primitive kind of way, four parties, discharging separate and distinct functions, are necessary.

First of all, there is Labor, which supplies the muscular and mental energy necessary to effect the processes of immediate transformation.

Next, there is Capital, which is necessary to provide the raw materials, the tools, appliances, and equipment essential to industrial processes, and the advances in the way of food, clothing, and shelter required by Labor pending the distribution of the finished product.

Then there is Management, or Directing Ability. So frequently has Management been associated with the ownership of capital, that the identity of the former has more or less been merged in the latter. However, a moment's reflection is sufficient to diselose the complete dissimilarity of function between the two. Capital's contribution to industry is in the nature of material substance loaned by way of investment. Its possessor may be any kind of person, from a social parasite or ne'er-do-well who is the inheritor of a fortune, to an infant totally incapable of any service to industry, and whose property is necessarily held in trust. Managerial ability, on the other hand, is in the nature of personal service of the very highest order, and is wholly necessary, not only to bring about efficient co-operation between Labor and Capital in the work of production, but also to effect and maintain right relations with the fourth party, without whose co-operation in all that pertains to industry the other three parties could accomplish little or nothing.

The fourth party is the Community, that entity which we speak of sometimes as organized society, under whose sanction all industry is carried on, and by whose continuous co-operation with the other parties to industry, production, distribution, and exchange are rendered possible.

## THE FOUR PARTIES TO INDUSTRY

### **Parties to Industry Interdependent**

Not only are the four parties necessary to industry, but they are equally necessary to one another. Capital can do nothing without Labor. Labor can do nothing without Capital. Neither Labor nor Capital can co-operate effectively in industry save under the guiding genius of Management; and Management, however great its genius, can do nothing apart from the opportunities and privileges the Community affords.

If all four parties are necessary to industry, and equally necessary to one another, then, surely, all four should have some voice in the control of industry, and with regard to the conditions under which their services to industry are rendered.

### **Existing Organization of Industry Inadequate**

Is our present organization of industry in any way suggestive of a partnership, in which Labor, Capital, Management, and the Community are regarded as inter-related and interdependent? Far from it, as everyone knows who has given the organization of industry a moment's reflection.—I am dealing, of course, only with the dominant types of large industrial organization, for it is mainly from this source that our present problems arise: transportation, manufacturing, mining, etc., etc.—So far as control goes, it is all

in the nature of monopoly, and that a monopoly of control on the part of Capital.

The owners of capital, the capital investors, choose the Board of Directors; the Board of Directors choose the Management and dictate the policies. The Management regards itself as responsible solely to Capital. Labor and the Community become a consideration only in so far as they are able to make their power felt. Profits for Capital are a first consideration; profits usually as high as it is possible to make them. Wages to Labor, prices to the Community, are what they can be kept at, what the market will allow. Labor and the Community are not regarded as partners, entitled to share, through common knowledge, in a common venture, in gains and losses alike. Such control as they exercise is a control that is forced, not a control that is voluntarily shared; a control that in the nature of things begets an attitude of militancy on their part.

**Monopoly of Control by Capital  
Responsible for Reactions**

It is this monopoly on the part of Capital in the control and direction of industry that has led to the developments that are described as socialistic, ultra-radical, and even anarchistic. More than any other factor, it lies at the root of the industrial upheavals of the present time. The other parties to industry, though feeling

themselves entitled to be regarded as partners, have despaired of gaining any measure of joint control by concession. They have felt themselves driven to exact, by force, what they believe to be their rightful dues. In the case of Labor, this demand for recognition in the control of industry has asserted itself in the form of strikes. In the case of the Community it has taken the form of arbitrary enactment, leading to an assumption of single control by the state or municipality.

**Drift Toward Monopoly of Control  
by the Community**

What is the Socialistic State, or Collectivism, which is its industrial expression, other than industry so organized as to transfer industrial control from Capital to the Community, to the exclusion of the other parties? Under the Socialistic State, the Government would choose the managers of industry, would own the instruments of production, levying taxation where more Capital was required, and would fix the wages of Labor, and the prices at which commodities are to be sold.

The War has revealed that the Socialistic State, which many workers have been led to believe is certain to be beneficent and idealistic, may become the most bureaucratic and autocratic of agencies, holding within its power the



lives and freedom of men, as well as the conditions of their employment. Germany has given that object-lesson to the world.

The little there has been of State control during the War has also revealed that the substitution of political managers for industrial managers is not likely to be the best for either industry or the State. Of that, all countries have had a taste.

**Drift Toward Monopoly of  
Control by Labor**

What are the extreme movements on the part of Labor but a similar reaction against the monopoly of Capital control? In its most violent forms, this reaction has found expression in Revolutionary Syndicalism, Bolshevism, and certain forms of I.W.W.-ism, where, in addition to the ignoring of Capital and Management as parties to industry, the Community is also ignored, and Red Terror used to supplant Reason in all that pertains to the accomplishment of lawless designs.

Guild Socialism is similarly a reaction on the part of Labor against monopoly of control on the part of Capital. Like State Socialism, it would rule out Capital's right to joint control just as effectively as Capitalism seeks to rule out Labor's right to joint control; but as the predominant factor in control it would substitute national guilds for the state. Industrial

unions would select the managers, would own the capital, and would determine alike wages and prices.

In protesting against an actual monopoly of control by Capital under Capitalism, and a possible monopoly of control by the State under Socialism, Guild Socialism would establish a monopoly of control by Labor under National Industrial Guilds. This is a natural reaction. It represents the extreme of the protest by a militant Labor Unionism against the monopoly of control by Capital, just as Collectivism represents the extreme of a protest of an aggressive State Socialism against the monopoly of Capitalistic control. Guild Socialism and Collectivism are alike in that each would oust Capitalism by setting up a monopoly of its own.

**Abolition of Monopoly Control  
the Only Remedy**

But the cure for monopoly of control by one of the parties to industry is not to be found in the substitution of monopoly of control by one of the other parties; it lies in the destruction of monopoly altogether. It is to be found in the substitution of joint control for single control.

Single control, whether it be by Capital, Labor, or the State, sooner or later is certain

to mean autocratic control. Whether Labor or the State as the autocrat is preferable to existing capitalistic control, beholden as it is, in some measure at least, to both Labor and the State, is something to which conditions in Europe at the present time afford an all-sufficient answer.

It is not monopoly of control in any form that we must seek to bring about in this period of transition, but a gradual evolution into a system of joint control, whereby each of the parties to industry will be afforded a voice in the determination of the terms and conditions upon which its services to industry are rendered.

**The Wisdom and Justice  
of Joint Control**

And is not joint control by all the parties to industry in every way eminently wise, as well as fundamentally just? Is it not in every way, in the long run, to the interests of industry, and to the interests of each of the parties to industry? Continuance of the system of monopoly of control by Capital is no longer possible. Once autocracy was doomed in the political world, its doom was equally sounded for the industrial. The interest of every one of the parties to industry is being menaced to-day in the reactions to which the monopoly of control by Capital has given rise.



## THE FOUR PARTIES TO INDUSTRY

Existing Monopoly of Control  
Unfair to Capital

No one of the parties stands to lose quite so much through a continuance of the struggle arising out of the monopoly of control by Capital, as Capital itself. As things are to-day, it is at Capital, and at Management, identified with Capital, that the stones are being blindly hurled. War ridden, hungry, and penniless, men and women have witnessed the wanton extravagance of many of those possessed of luxury. They have become bewildered with a condition which enables an idle investor to reap a fortune while the masses toil excessive hours for a bare subsistence. They have lost sight altogether of the services of Capital and Management in witnessing the debauchery of indolence combined with riches, and the unearned millions of profiteers.

But let the service that Capital and Management are capable of rendering industry once be lost to sight, and industry itself will be ruined, and with it the well-being of Labor and the Community as well. What is needed is, not the ruination of Capital and Management, but that each be given its rightful place in a system of the government of industry which will make for the good of all the parties to production.

## THE FOUR PARTIES TO INDUSTRY

### Existing Monopoly of Control Unfair to Management

Nor is the monopoly of control by Capital wholly fair to Management, or in its best interests. It has been my privilege to talk pretty freely during the past few years with the managers of many large industries, and I find in the minds of not a few of them a feeling that everything is to be gained, and nothing lost, by having the function of Capital and the function of Management kept separate and distinct, and Management given a freer hand in considering the interests of Labor and the Community.

Some managers there are who obtain their positions, not in virtue of any special skill in managerial ability, but because of personal ownership of large quantities of capital, or intimate association or relationship with some investor. The incompetence of such managers, and their slavish subservience to privilege and position, to the exclusion of a due consideration of the rights of Labor and of the Community, only serve to rouse the bitter antagonism of both these parties, who feel that their rightful interests, as necessary partners in industry, are being thwarted and jeopardized.

Not a little of the militant attitude on the part of Labor, and impatience on the part of the public with the present order of industry,

is due to a feeling that some managers fail to render to industry any service at all commensurate with the enormous salaries they receive, and to a belief that the interests of Labor and of the Community alike are sacrificed to incompetence and extravagance which would not be permitted were all four parties to industry allowed some voice in the shaping of industrial policy.

Management, instead of being regarded as the servant of Capital exclusively, ought to be in a position to regard itself, as in fact it is, one of the necessary parties to industry, and as such entitled to a voice in matters which pertain to its administrative functions; responsible in the exercise of its duties, not to one party only, but to all.

In the emancipation of Management from the single control of any one of the parties, whether it be Capital, Labor, or the Community, and in the development of its function into that of a responsible executive, concerned equally with all the interests of the necessary parties to industry, lies the hope of any ultimate solution of the industrial problem.

**Existing Monopoly of Control  
Unfair to Labor**

Referring to what is fundamentally right and just, may it not be asked: Is Labor not quite as much entitled to a voice in the control of

## THE FOUR PARTIES TO INDUSTRY

industry as Capital? It is investment in industry which affords the right to share in corporate control. Capital and Management receive representation on this basis. If Capital and Management are so entitled, why not Labor also?

Industry is a joint venture, a venture of Labor as well as of Capital. The difference in the nature of the investment of Capital and Labor only serves to emphasize the fundamental justice of Labor's right to a share in control. The investment of Capital is in the nature of an investment of substances and dollars; the investment of Labor is an investment in the nature of skill and life. The one is a material, the other a human, investment; and of the two, the one involving life is the more precious.

The capital investor—the individual who in industry loans and risks his capital or a part of it—receives for his capital a return in the form of interest; but he receives something more. As an investor, he becomes entitled to a voice in the control of the industry in which his investment is made. The life or labor investor—the worker who in industry loans and risks his life, or gives to industry that part of it described as labor—receives for his labor, which is the use of his life and skill for the time in which labor is given, a return in the form of wages. He lacks, however, the additional right,

## THE FOUR PARTIES TO INDUSTRY

which Capital receives, of a share in the government of industry. If Capital obtains this right, in addition to financial reward for the use of capital for the time for which it is invested, is Labor not in justice equally entitled, in addition to its monetary reward, to a voice in the control of industry in which, for the time being, its life and skill are likewise invested? If investment in industry has any meaning at all, it is surely one equally shared by the man who gives his labor and the man who gives his capital.

### **Existing Monopoly of Control Unfair to the Community**

The Community's right to representation in the control of industry, and in the shaping of industrial policies, is wholly similar to that of Labor. But for Community investment on a local, national, and international scale, Capital, Labor, and Management would be obliged to make scant shrift under present-day conditions of world competition. But what of the Community's part in industry? Here, too, is joint venture on the part of the Community just as much as on the part of Labor, Capital, or Management. What is 99 per cent of the expenditure of government in normal times but outlays in the nature of investment in industry: investment in property and services of one kind or another, which alone makes possible the vast



## THE FOUR PARTIES TO INDUSTRY

co-operation and co-ordination of effort which is the very life-blood of industry?

The vaster industrial organization becomes, the more it depends, in a multitude of directions, upon the investments of the Community.

It is the Community which provides the natural resources and powers that underlie all production. Individuals may acquire title by one means or another, but it is from the Community, and with the consent of the Community, that titles are held. It is the Community, organized in various ways, which maintains government and foreign relations, secures law and order, fosters the arts and inventions, aids education, breeds opinion, and promotes, through concession or otherwise, the agencies of transportation, communication, credit, banking, and the like, without which any production, save the most primitive, would be impossible. It is the Community which creates the demand for commodities and services, through which Labor is provided with remunerative employment, and Capital with a return upon its investment. Apart from the Community, inventive genius, organizing capacity, managerial or other ability would be of little value. Turn where one may, it is the Community that makes possible all the activities of industry, and helps to determine their value and scope.

Community investment is supposed to receive its return in enhanced purchasing power to consumers as respects the number and quality of available services and commodities. This is a return akin to the interest Capital receives, and to the wages Labor receives. But is not the Community equally entitled, on grounds of investment, to a voice in the control of industry and in the shaping of industrial policy? Without participation by the Community in the control of industry, there is nothing to prevent the emergence of a joint-profiteering scheme by the other parties, in which high wages and high profits are secured by charges which fall either immediately or ultimately upon consumers.

**Single Control Must  
Give Way to Partnership**

If industry is to cease to be the battleground of rival factions, each selfishly seeking its own interest, regardless of the interests of the others, its government must cease altogether to be a matter of single control by one of the parties, or of contending controls by the several parties. The parties to industry must be brought into a relationship of partnership, with a recognized community of control.

Partnership is essentially a matter of status. It does not involve identity or similarity of function on the part of the partners, or equality

of either service or rewards; but it does imply equality as respects the right of representation in the determination of policy on matters of common interest. It is this principle that has thus far so largely failed of recognition. The justice of the principle, however, cannot be gainsaid.

**The Necessary  
Transition**

If to secure a just consideration of the rights of all four parties to industry something in the nature of a partnership, involving community of control, is necessary, how, it will be asked, is that transition to be effected. Certainly, it will never be brought about by violent upheavals or revolutionary methods, which serve only to disorganize industry and occasion loss to all its parties. It must be brought about in an evolutionary manner, here a little, there a little; line upon line, precept upon precept, all working toward the consummation of one ideal.

**Government in the State a Guide  
to Government in Industry**

There is much in the government of the State to give us guidance as well as hope in the evolution of government within industry. The British constitution may have its limitations, but no instrument of government has ever been devised which has so effectively helped to preserve and extend the freedom and liberties of men. What the British constitution stands



for in the government of the State, we should aim at effecting in the working out of a constitution for industry. It will not all be accomplished within a day; neither need it be the work of generations. With free political institutions our one great inheritance, the application to industry of those principles which underlie government within the State should be neither impossible nor difficult. A willingness to recognize the justice of them, and to act in the light of knowledge we already have, is all that is necessary.

**From Autocratic to  
Responsible Government**

In government within the State, there are three outstanding stages of development. The first stage is that of the autocratic executive, in which there is single control by one only of the parties to the State. King John is an outstanding example of this type of autocratic government. It was not believed, in the time of John, that the people had any ability to govern themselves. Even the lords and the nobles were without a voice in the government of the kingdom. They secured the first advance in popular liberties when they wrested the Magna Charta from John, and secured his signature to a written statement of their rights as citizens.

Representative Government marks the next important phase in the evolution of government within the State. That takes us back to 1265, to the famous Parliament of Simon de

Montfort, when for the first time in British history there was at least an attempt at representation of all three estates. At the outset, representation was restricted and nominal. All subsequent development has been in the nature of broadening the basis of representation, and of rendering more effective the representation gained.

It is only within the past century that the highest form of government, namely, Responsible Government, has been attained. Under Responsible Government, the executive is responsible to the people as a whole, not to any one class.

When the managers of industry become responsible to Labor, Capital, and the Community for the manner in which their vast powers and opportunities are exercised, we shall have something in the government of industry closely resembling the responsible executive in the government of the State. Meanwhile, our duty would appear to be that of putting an end to autocracy and monopoly of control, no matter by which of the parties to industry it may be attempted or exercised, and to work out a system of joint-control based upon representation of all the parties in the determination of industrial policy.

**The Basis of an  
Industrial Constitution**

Time forbids more than a suggestion or two as to the manner in which a constitution for

## THE FOUR PARTIES TO INDUSTRY

the parties to industry might be worked out in a way which will help to allay the industrial unrest of our times, and advance the highest interests of industry, and of all its parties. Obviously, what is most needed is recognition of the fact that industry is not a matter which concerns only one party, but that it is of vital concern to all four: to Capital, to Labor, to Management, and to the Community, and that no one of the four is entitled to a monopoly of control.

Once recognition is given the four parties to industry, the solution of the problem of industrial relations is a matter simply of proceeding in accordance with principles which have long been regarded as obviously fair and just.

### **The Principle of Conference**

The first of these principles I should like to mention is that of *Conference*. It is impossible to get anywhere with a man with whom you are unwilling to confer. Conference is chiefly a matter of attitude. It implies approach, good-will, confidence; not aloofness, distrust, and suspicion, which too frequently is the attitude between the parties to industry.

Conference between the four parties to industry has been tried, and with the best of results. It was found absolutely necessary to the winning of the War. It was not until the Government of Britain, representing the Community, invited

Capital, Management, and Labor to meet in common, and policies were arrived at as the result of Round Table Conference, that the necessary adjustments of industry were so arranged as to make possible the vast production of munitions required to win the War. What was necessary to the winning of the War is equally necessary to the winning of Peace—which we can hardly say exists so long as international strife gives way only to industrial unrest.

#### The Principle of Investigation

The second principle is that of *Investigation*. Investigation is but a method of getting at the truth; and, as I said at the outset, it is the truth alone that shall set us free. In problems of the magnitude of those which industry presents, any just solution is impossible without a knowledge of the facts. There are certain evils which publicity is more effective in preventing and remedying than penalty; and unfair dealing between the parties to industry are of this kind. Meanness, injustice, gross selfishness—these cannot endure under the light of an intelligently formed public opinion. Most industrial ills belong to this class.

Investigation, too, has been tried between the four parties to industry, and found to be of the utmost service.

I notice that the Minister of Labor informed the House of Commons a day or two ago that

Canada had had fewer strikes in recent years than any other country in the world. If that statement is true, and I believe it is, it is because we have on our statutes a law which makes provision for the investigation of industrial controversies prior to lockouts and strikes.

The principle of that law is the one being acted upon in Great Britain to-day. If England is being saved at the moment from industrial strife, hardly less frightful in its horrible consequences than actual war, it is because Capital and Management, Labor and the Community, are represented upon the Commission recently appointed by Mr. Lloyd George to investigate the demands of the miners, and the condition of the coal mining industry throughout Britain.

It is upon the same principle of investigation prior to the commencement of hostilities that the League of Nations is being founded. If war between nations and between the parties to industry is to end, it will only be through the acceptance of the principle of investigation before a severance of relations.

What we need quite as much as a League of Nations is a League of the Parties to Industry to see to the enforcement of this great principle, and the moulding of public opinion to that end. Such a league, I believe, would lead, even more quickly than a league of nations, to the maintenance of international, as well as of industrial, peace. Accustom men to the adoption of fundamental principles in adjusting



their industrial relations, something which immediately concerns their everyday life, and the application of like principles to international affairs will take care of itself.

**The Principle of Organization  
and Collective Action**

A third principle is that of *Organization and Collective Action*. The problems of industry are world problems. To cope with them successfully, organization is absolutely necessary.

What would become of Capital, under the stress of world competition, if its units were not permitted to coalesce, and large organization of business thereby rendered impossible? What would become of the Community, if its activities were not organized? Deprive managers of the right of membership in an employers' or manufacturers' association, and they would be the first to say that their liberties had been infringed. Where, then, is the justice of denying to one party to industry a right which is conceded as just and necessary to the other three? If Capital, Management, and the Community have the right to organize, so also should Labor have this right.

Without organization of Labor—where Capital, Management, and the Community are organized—what equality of relationship can there possibly be between the four parties to industry? And where, under such a condition, are the individual units of Labor likely to find themselves in the teeth of a world competition,

more relentless where Labor is concerned than in the case of Capital or Management? Labor left but briefly in a condition of isolation will starve; Capital and Management are usually in a position to wait.

It is not against organization that we ought to protest, but against the possible abuses of organized power. In this connection it is well to remember that the use of a thing is one thing, and its abuse another; and that with human nature what it is, abuses of power are not confined to any one class.

#### **The Principle of Representation**

A fourth principle is that of *Representation*. Here we are at the beginning of the real solution of the problems of industry. Government within the State has widened down from autocratic authority to authority broad-based upon a people's will. The expansion of the principle of representation is responsible for that development. It will be equally so in industry. The problems of industry are essentially problems of government. Adequate representation of the parties, effected through organization, all enjoying the right of investigation, and meeting in Round Table Conference—in such an obviously just and fair arrangement, we have the beginnings of law and order in industry, just as we have had it in the State, and the hope of a future development along constitutional and evolu-

tionary lines, instead of along lines that are illegal and revolutionary.

**Joint Committees and  
Joint Industrial Councils**

Once the principle of representation is conceded, it is only a step to the formation of joint committees of employers and employees, the establishment of known, orderly, and expeditious procedure in all matters requiring adjustment, and the determination of industrial policies in a manner which will have regard for the interests of all concerned.

From joint committees in individual establishments, meeting at periodical intervals for little more than purposes of conference and consultation, the principle of representation should lead to the establishment of permanent standing joint industrial councils, embracing all the workers and all the employers in a given trade or industry and concerned with the determination of industrial policies, and the fixation of industrial standards enforceable throughout by the co-operation of Government, representing the Community and protecting its interests. This, as you know, is the objective of the recommendations of the so-called Whitley Committee which the Government of Great Britain has adopted as the corner-stone of its reconstruction policy.

Nor is the formation of such joint committees and industrial councils any longer a matter of experiment. Every day is adding to the num-



ber that are being formed, many of them in industries which have hitherto opposed anything in the way of organization among employees, and which have conceded little or nothing in the way of conference.

**The Service of  
Organized Labor**

The Trade Unions are mainly responsible for the development that has thus far been achieved. They have pioneered the path; they have blazed the trail which has led to collective bargaining, joint agreements, and contracts between the parties to industry. It has been a long and bitter struggle, this struggle for recognition on the part of Organized Labor. It has involved any amount of ill-feeling and misunderstanding, and fostered no end of prejudice and hatred; but the real purport of Labor's struggle is coming to be better understood, and the part which the large organizations of Capital and of Labor are capable of playing in reconstructing human society is emerging into clearer day.

It is coming to be seen that the control of Labor by its leaders is wholly dependent upon its organization into conservatively directed unions; that it is among the unorganized and undisciplined workers that Bolshevism and I.W.W.-ism recruit their armies of terror and destruction. In a union of the organized forces of Labor and of Capital, against a common enemy which menaces all human society, lies the hope of the future. Industrial concerns which have

hitherto stood out against anything in the nature of a democratic organization of industry will do well to evidence a disposition to act upon the principles of conference, investigation, organization, and representation, in dealings with their employees, and to concede to Labor the right of collective bargaining, and a voice in the determination of terms of employment and matters pertaining to their working and living conditions.

It may be that Labor needs educating, that its leaders need more in the way of experience; but, in the absence of other opportunities, whence are education and qualities of leadership to be gained if not in the industries in which Labor is employed, and through joint dealings with parties more highly favored?

The Joint Industrial Councils being formed in England show how this new approach between Capital and Labor is certain, in its most highly developed forms, to take account of existing organizations of Labor and Capital, and to change the attitude of these powerful bodies from one of militancy based on a belief in opposed interests into one of co-operation based on a belief in the larger interests which they have in common.

#### **A New Spirit Necessary**

One thing, and one thing only, remains to ensure a new world rising out of the ashes of the old; but without it nothing can be achieved. It is the acceptance by each of the parties to

industry of the spirit which has saved not only Britain, but the world, in the overthrow of Prussian arrogance and ambition. It was through a love of liberty and a hatred of domination that men by millions sacrificed their lives that freedom might not perish from the earth. The overthrow of Prussian despotism is only part of the vast undertaking which the free nations of the world have still before them if Freedom worthy of the name is to be maintained. Industrial autoeraey and politieal autocracy may go hand in hand, but not autocracy in industry and democraey in politics. The latter combination is as ill-mated as the former is natural. To the nations that have won politieal freedom, there remains the task of reorganizing their industries into harmony with their governments. Anything short of harmony means perpetual conflict. Institutions opposed in organization and spirit can work against each other only till one or the other prevails. To democratize industry, so that along with democracy in government there may be a true industrial democraey, is the task that lies ahead.

#### A New Conception of Industry

With the new spirit must come also a wholly new coneception of industry. No longer must industry be thought of as a mere revenue-producing process, in which Capital, Labor, Management, and the Community meet like so

many rival and contending factions, each to appropriate to itself by force or might the largest possible share of the fruits of industry. Industry must be thought of, as in reality it is, as in the nature of social service, and participation in industry, whether in the form of labor or capital investment, as social service of the highest kind, since upon its successful accomplishment rest all other forms of human service.

**An Easter  
Hope**

May I conclude these remarks with words with which I have concluded a volume in which I have sought to enlarge upon the principles outlined to-day. This moment of silence at the close of the Great War, and this Lenten season, seem to lend them appropriateness to this occasion, and to the subject we have been considering.

“Is it too much to believe that, having witnessed Humanity pass through its Gethsemane, having seen its agony in its Garden of Fears, having beheld its crucifixion upon the cross of Militarism, Labor and Capital will yet bring to a disconsolate and broken-hearted world the one hope it is theirs alone to bring; and that, in the acceptance of principles which hold deliverance from the scourges that beset mankind, they will roll back the stone from the door of the world’s scpulchre to-day, and give to Humanity the promise of its resurrection to a more abundant life?”





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